

## Chapter 15. COST AND OBLIGATION ADJUSTMENTS

### SECTIONS

PURPOSE.....	01
GENERAL.....	02
ADJUSTMENT PROCEDURES.....	03
DEOBLIGATION PROCEDURES.....	04
EFFECT ON OTHER ISSUANCES.....	05

#### 15-01 PURPOSE.

NOAA Administrative Order No. 203-34 requires that all current and prior year obligations be continuously reviewed to ensure that obligated balances are not over- or under-stated and that obligations are properly documented and reported. The head of each NOAA Financial Management Center (FMC) and those agencies with which NOAA has cross-servicing arrangements (e.g., Bureau of Industry and Security) have the responsibility for verifying these obligations.

The purpose of this chapter is to provide procedures for correcting erroneously recorded cost or obligation data and/or to process deobligation requests so that accurate information will be reflected in the accounting system and reports.

#### 15-02 GENERAL.

1. Within the Commerce Administrative Management System (CAMS) there are three methods to make cost adjustments of erroneously recorded accounting information for paid transactions:

a. Document Level Adjustments allow changes to transactions in the CAMS Accounts Payable (AP) Module. (Section 15-03.1)

b. Detail Labor Adjustments allow changes to transactions from the National Finance Center (NFC) and the NOAA Corps payroll from the Coast Guard. (Section 15-03.2)

c. Summary Level Transfers allow changes to line items of summary information. (Section 15-03.3)

2. Corrections/changes to erroneously recorded accounting information for obligations (unpaid transactions) are made at the document level.

3. Deobligation requests must be made at the document level.

4. Within CAMS the following reports or queries will aid in identifying which transactions are associated with an obligation or disbursement.

a. Navigator Menu--Transaction Activity Report (AP500D) provides all of the individual transactions for a specific organization for a specific time period.

b. Navigator Menu--Budget and Expense Query Application allows identification of specific transactions when some accounting information is known, but does not provide history of the document.

c. Discoverer--NOA118 Detail Workbook provides the individual transactions which make up the charges on an accounting information string (similar to the Budget and Expense Query Application above) and includes prior year recovery information.

d. Discoverer--CAMS Active Document Workbook provides information on the overall status of all documents for a specific organization and is not related to obligations within a specific time period.

e. Discoverer--Document Status Workbook provides information on the history of the document for all accounting regardless of year.

### 15-03 ADJUSTMENT PROCEDURES.

#### 1. Document Level Adjustments

a. Document level cost adjustments can be used to change the Accounting Code Classification Structure (ACCS), to correct erroneously recorded obligation data (Undelivered Orders or Unpaid Accrued Expenditures), or to correct any paid transactions at the document level which were entered through the CAMS AP module and charged to the current Fund Code Fiscal Year. Adjustments may be made to all or any of the ACCS

elements, e.g., project/task number, organization code, object class. (See Section 3b. below for document level cost adjustments that cannot be made in CAMS using the document level adjustment.)

b. Adjustments should be requested as soon as possible, but no later than 2 weeks from when the transaction originally occurred. They should be forwarded for processing as they are prepared and not held or accumulated for submission as a single package.

c. To request a document level adjustment, the NOAA Financial Management Center (FMC) or cross-serviced agency should complete either a "CAMS Document Level Adjustment Form" (see next paragraph), a written signed request, a CD-435 Procurement Request at <http://www.osec.doc.gov/forms/direct.htm>) or an OF347-GSA Optional Form at <http://www.gsa.gov/Portal/gsa/ep/formslibrary.do?formType=OP> and submit it as soon as possible. A separate request must be prepared for each document type and approved by a NOAA FMC or cross-serviced agency official. If the document is a contract or purchase order, the request should be submitted to the servicing Acquisition Management Division. A grant document request should be submitted to the NOAA Grants Management Office. For all other document types, the written request/form should be submitted to the servicing Administrative Support Center (ASC) Finance Division/Accounting Operations Division (AOD).

The CAMS Document Level Adjustment form and instructions are available by accessing the CAMS index page at <http://www.rdc.noaa.gov/~cams/index.html> and clicking on the "Forms" hyperlink at the center of the page. The signed form may be submitted to the servicing ASC Finance Division/AOD by fax but the office must then forward the signed original form to the ASC Finance Division/AOD.

The CAMS Document Level Adjustment form is currently being revised as a CAMS version of the NOAA Form 34-34 and will be available to modify document types other than contracts and grants. It should be completed by the end of FY 2004 and will be on the CAMS web site.

d. The servicing ASC Finance Division/AOD will enter the adjustments on the PM006 "Advice of Correction Transaction Screen." When the adjustment has been accepted in CAMS, it will be posted to the trial table. NOAA and cross-serviced agency

end users may review the posted adjustment transactions in the CAMS Data Warehouse through the DWFM001 "Budget and Expense Query Application," the AP500D "Transaction Activity Report," or the Discoverer Document Status Workbook.

## 2. Detail Labor Adjustments

a. After labor costs have been processed, they may be changed at the detail level per line item as reported by the National Finance Center (NFC) and the Time and Attendance (T&A) System, or by doing a Summary Level Transfer. Detail Labor Adjustments are preferable because they maintain more accurate employee and project information. At the beginning of CAMS implementation, the adjustments are entered by the Finance Office in Germantown, MD. A pilot, expected to be completed by the end of FY 2004, is ongoing to change this process so adjustments will be entered by end users and approved by the Finance Office.

b. The LAB710 "Pay Period Labor Cost Detail Report by Employee" or the equivalent CAMS office report (alternative approved format) shows the payroll details for every employee and should be reviewed for correctness. The LAB750 "Labor Data Defaulted Project and Task Codes Report" shows all NFC Labor Transactions for the current pay period where the project and/or task were defaulted. When the project is valid and the task is invalid, the task defaults to "P00" and is shown on the LAB750 with an asterisk. When the project is invalid, the project and task default to the Organizational Default Task Number. If the organizational default is invalid, it then defaults to the overall Bureau Default (09WGALB/PLB for NOAA and 36A9202/P00 for BIS). It is the responsibility of the NOAA FMC or cross-serviced agency to correct all time and attendance reporting errors and to transfer all labor costs charged to a Default Task Number to the correct project/task number **each pay period**.

c. If an organization code is being incorrectly charged with an employee's labor cost, the NOAA FMC or cross-serviced agency must review personnel actions pertaining to that employee. The organization code recorded in the employee's Master Personnel Record is obtained from the latest SF-50-B (Notification of Personnel Action) provided by the servicing Human Resource Division and is the organization code to which the individual's labor costs are charged. If investigation reveals that the personnel documents contain an incorrect organization code for an employee, the servicing Human Resource

Division should be advised to make the corrections. For costs that have been recorded erroneously under the wrong organization code, the NOAA FMC or cross-serviced agency must either request that the servicing Human Resource Division process a retroactive correction or request a labor cost adjustment.

d. To request adjustments to fund code Fiscal Year, organization code, project/task number, or object class, offices without access to enter Detail Labor Adjustments use the CAMS LAB710 Report, or the equivalent CAMS office report. The cross-serviced agency or the requesting NOAA FMC(s) should mark the report showing the items to which changes should be made and the corrections. The completed report(s) must be signed and dated by the responsible NOAA FMC or cross-serviced agency managers. Adjustments affecting more than one FMC must have signed approval from each FMC involved. Reports should be forwarded to the NOAA Finance Office, Funds Management Branch (NFA211), 20020 Century Blvd., Room 3443, Germantown, MD 20874, for processing.

Offices with access to enter Detail Labor Adjustments should use the "CAMS Detail Labor Adjustments screen, NFC005" or the "CAMS Multiple Detail Labor Adjustments screen, NFC045" to enter the adjustment and then e-mail the Funds Management Branch (NFA211) to ask them to approve the transaction. Adjustments affecting more than one FMC must have e-mail routing through each FMC involved. Adjustments for types of absences and/or pay (e.g., annual leave, sick leave, regular hours worked, overtime, compensatory time, holiday, etc.) must be made on a corrected Time and Attendance Report in accordance with the DOC Timekeeper's Guide.

e. The "CAMS Detail Labor Adjustments screen, NFC005," and the CAMS Multiple Detail Labor Adjustments screen, NFC045" allow changes to the records that came from the NFC or the Coast Guard. To record a change, the ACCS fields must match exactly or the adjustment will not process. The screens reverse the original ACCS entry data exactly as it came from the NFC, and record the charge in the new ACCS. NFC045 allows the option of correcting multiple transactions in one batch while NFC005 is limited to one transaction at a time. Overheads and surcharges are recalculated at the current rates when the next overhead process is run.

f. For current fiscal year labor cost adjustments, the applicable leave and employer contribution surcharges and the various NOAA support charges will be automatically generated

and adjusted by the Labor Cost subsystem when the cost accumulation surcharge process is run. Cross-serviced agencies must adjust employer contribution object classes. NOAA support charges and contribution surcharges will NOT be generated for prior year adjustments.

### 3. Summary Level Transfers

a. Normally, to correct erroneously recorded cost and obligation data, adjustments should be made at the document or detail level to provide an adequate audit trail. In limited situations, (e.g., if the organization or project/task codes were modified during the year) to avoid voluminous document level adjustments, the NOAA FMCs or cross-serviced agency may request adjustments to line items of summary data. The Summary Level Transfer (SLT) will be used to transfer cost dollars and hours, not resources, across funds, organizations, projects, etc. Transfers may be from one ACCS to another, one ACCS to multiple ACCSs, or multiple ACCSs to one ACCS. Only amounts which have been costed to date should be included as SLTs; amounts in undelivered orders should not be transferred using the SLT process.

b. In addition, there are some types of document level cost adjustments that cannot be made in CAMS using the document level adjustment and must be accomplished through a summary level transfer. The following are examples:

- corrections or adjustments to any paid and closed NOAA Payment System (NPS) or CAMS documents where the Fund Code Fiscal Year charged is **earlier** than the current Fund Code Fiscal Year (e.g., prior year paid and closed contracts charged to a direct task which should have been processed against a Construction Work-In-Progress (CWIP) task or prior year costs charged to a direct appropriation which should have been charged to a reimbursable project/task).
- corrections or adjustments made in the current fiscal year to paid and open CAMS documents where the Fund Code Fiscal Year charged was a **prior** fiscal year.
- all corrections or adjustments to paid expenditures transferring costs from a Line Office ACCS to the Gifts and Bequests Fund for any Fund Code Fiscal Year.

- transfers of costs for grants paid through the Automated Standard Application for Payments (ASAP) system.
- labor cost adjustments summed at the ACCS level.

*Note: If the project/task is no longer active, the successor project/task should be used.*

c. Instructions which are summarized below for a NOAA FMC or cross-serviced agency requesting Summary Level Transfers may be accessed at the CAMS site at

<http://www.rdc.noaa.gov/~cams/index.html> by clicking on the "Summary Level Transfers" hyperlink at the center of the page.

**FMC/agency NOT able to access SLT screens:**

Small volume (as determined by requestor)--complete a "Summary Level Cost Transfer Form." The form and instructions are available by accessing the CAMS index page at <http://www.rdc.noaa.gov/~cams/index.html> and clicking on the "Forms" hyperlink at the center of the page. An authorized approving official from each of the FMCs involved must sign SLTs that affect more than one FMC. The signed form may be sent to the Finance Office in Germantown, Maryland or submitted as an e-mail attachment (see instructions below).

Large volume (as determined by requestor)--submit an Excel format .xls spreadsheet as an attachment to an e-mail that allows the Finance Office to load them into the system using an interface process. A sample spreadsheet and checklist may be found by accessing <http://www.rdc.noaa.gov/~cams/index.html> and clicking on "Summary Level Transfers" at the bottom of the page.

Requests submitted **via e-mail** use the approving official's e-mail address in place of the signature. If the Summary Level Transfer affects more than one FMC, one FMC approving official may send the second FMC approving official the request, and the second may forward it to the Finance Office. Summary Level Transfers affecting reimbursables should be submitted to the Receivables Branch (NFA233) and all others should be submitted to the Funds Management Branch (NFA211).

**FMC/agency able to access CAMS SLT screens:**

Small volume (as determined by requestor)--enter the

transactions on the STDG005-Two Side Transfer Entry screen.

Large volume (as determined by requestor)--enter the transactions on the ARSF022-Summary Level Transfer Interface screen which allows a pre-described ASCII formatted text file for use with large volume files to be loaded and processed.

CAMS enforces two types of "Business Rules" for processing CAMS Summary Level Transfer screens STDG005 and STDG022. The first type, systematic rules, is included in the edits programmed in the SLT module and is automatically enforced. The second type, administrative rules, is not automatic and includes some exceptions. Any transaction that violates an administrative rule must be documented in a notification e-mail to the Financial Reporting Division. If notification is not sent, the entire batch will be rejected and not approved. The most current list of the rules and exceptions will be found on the CAMS site <http://www.rdc.noaa.gov/~cams/index.html> under the "Summary Level Transfers" hyperlink.

d. The Finance Office will perform the final approval for all summary level transfers, regardless of which method of submission is used. If the data passes all CAMS applicable edits and no business rules have been violated, the SLT is posted to the trial table within the Core Financial System. It will normally be available in the Data Warehouse the next business day. If the summary level transfer does not pass the edits, it will be returned to the requestor for correction and may be amended and resubmitted.

e. Adjustments should be forwarded for processing as they are prepared and not held or accumulated for submission as a single package.

#### 15-04 DEOBLIGATION PROCEDURES.

##### 1. Deobligation Requests

If a NOAA FMC or cross-serviced agency determines that part or all of remaining obligated funds for a document need to be deobligated, a request to deobligated funds, approved by a NOAA FMC or cross-serviced agency official, should be submitted.

a. The CAMS Discoverer Active Document Workbook will



provide information on the overall status of all documents for a specific organization and aid in determining which can or should be deobligated. The Workbook also includes information on the history of the document.

b. For CAMS processing, the NOAA FMC concerned or cross-serviced agency should complete either a "CAMS Document Level Adjustment Form" (available by accessing the CAMS index page at <http://www.rdc.noaa.gov/~cams/index.html> and clicking on the "Forms" hyperlink at the center of the page, a written signed request, a CD-435 Procurement Request at <http://www.osec.doc.gov/forms/direct.htm> or an OF347-GSA Optional Form at <http://www.gsa.gov/Portal/gsa/ep/formslibrary.do?formType=OP> and submit it as soon as possible. A separate request must be prepared for each document type and approved by a NOAA FMC or cross-serviced agency official. If the document is a contract or purchase order, the request should be submitted to the servicing Acquisition Management Division. A grant document request should be submitted to the NOAA Grants Management Office. For all other document types, the written request/form should be submitted to the servicing ASC Finance Division/AOD.

c. The Finance Office will perform the deobligation entries up to the requested amounts. If a NOAA FMC or cross-serviced agency determines that any part of the remaining obligated funds, above the original requested deobligation amount, needs to be deobligated, a new written request/form must be submitted to the appropriate office, depending on document type, requesting deobligation of funds.

d. Guidance for deobligations will be updated when the CSTARS (Procurement) interface is implemented in CAMS.

## 2. Automatic Deobligation Adjustments

Prior to the implementation of CAMS, the Finance Office periodically conducted an automatic deobligation program. Documents which met the criteria chosen for the process were deobligated within the FIMA system.

If an invoice is received for a document which was automatically deobligated within the past 3 fiscal years and must be processed for payment, an FMC may request an adjustment by contacting the servicing ASC Finance Division/AOD to re-

obligate the document in the system and contacting the Financial Reporting Division (NFA 21) to reuse the budget authority. The Finance Office will process the payment as a no-match with a CAMS Item Type indicator of "AUDEOB." The no-match payment posts as an upward adjustment (4X8 SGL Account) and the transaction falls under the "Auto-Deob Adjustment" category.

The last automatic deobligation program was conducted in FY 2002.

#### 15-05 EFFECT ON OTHER ISSUANCES.

This chapter supersedes all previous Chapter 15 issuances of the NOAA Finance Handbook.